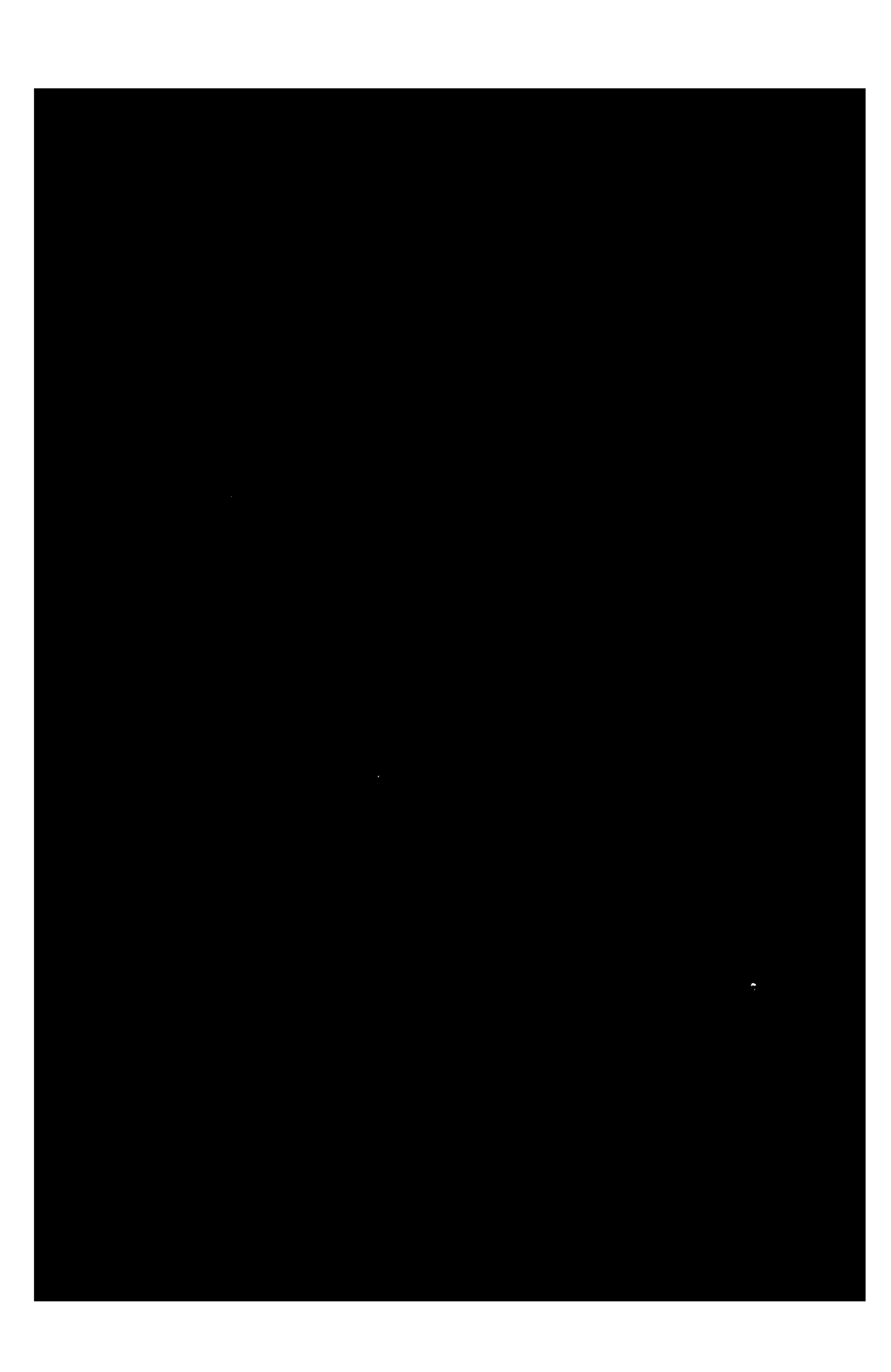
The Crow's Nest Pass Coal Company Limited



Twenty-first Annual Report 1917



THE CROW'S NEST PASS COAL COMPANY
LIMITED

Capital Stock (Authorized)	-	$10,000,000.00
Capital Stock (Subscribed)	-	6,212,666.66
Capital Stock (Paid Up)	- -	6,212,666.66



STOCK TRANSFER OFFICE

COMPANY'S HEAD OFFICE, TORONTO

MINES' OFFICE, FERNIE, B.C.

REGISTRAR

NATIONAL TRUST CO., LIMITED, TORONTO

BOARD OF DIRECTORS FOR 1918

PRESIDENT

ELIAS ROGERS,
President National Life Assurance Co., Vice-President Imperial Bank of Canada, Director National Trust Company, Toronto.

VICE-PRESIDENT

E. C. WHITNEY,
President St. Anthony Lumber Co., Ottawa, Ont.

DIRECTORS

RALPH BUDD,
Vice-President Great Northern Railway.

H. B. McGIVERIN,
Messrs. McGiverin, Haydon & Ebbs, Barristers, Ottawa.

W. H. ROBINSON,
Vice-President Granby Consolidated M. S. & P. Company, Granby, Que.

DR. GOLDWIN W. HOWLAND,
Toronto.

ELLIS P. EARLE,
President Nipissing Mines Co., and Georgia Peruvian Ochre Co., Director Chatham & Phenix National Bank, N.Y., and Vice-President Granby Consolidated M., S. & P. Co., New York, N.Y.

OFFICERS

Secretary......................R. M. YOUNG.
Assistant Secretary.............MISS L. M. KELLEY.
Comptroller....................G. R. MARTIN.
Treasurer......................ELIAS ROGERS.
Auditors..........MESSRS. LAWSON, WELCH & Co., Chartered Accountants.

PROCEEDINGS

OF THE

TWENTY-FIRST ANNUAL MEETING OF SHAREHOLDERS

On the 12th day of April, 1918, the Annual General Meeting of the Shareholders of the Company was held, pursuant to Notice, in the Board Room of the National Life Assurance Company, at 2.30 p.m.

The following Shareholders were present, representing 77% of the stock:

IN PERSON—

Mr. Norman Ainley
Mr. Ralph Budd
Mr. Wm. Crocker
Mr. James F. Edgar
Miss B. A. Ewan
Mr. James Gunn
Mr. Robert E. Grass
Mr. James Hardy
Dr. G. W. Howland
Mr. G. G. S. Lindsey
Dr. D. Campbell Meyers
Mr. H. B. McGiverin
A. E. Osler & Co., represented by Mr. Gordon Taylor
Mr. Elias Rogers
Mr. W. H. Robinson
Col. G. A. Stimson
Mr. Henry Swan
Mr. Geo. H. Shipman
John Stark & Co., represented by Mr. Freeland

BY PROXY—

Mrs. Rachel H. Boeckmann
Messrs. Brown Bros. & Co.
Mr. W. A. Cotton
Mrs. A. E. Cattermole
Mr. D. S. Curry
Mr. D. Davies
Mrs. Myrtle M. Ellis
Miss C. O. Elwell
Mr. E. P. Earle
Mrs. E. Folingsby
Mrs. Gertrude H. Gavin
Granby Consolidated Mining, Smelting & Power Company
Mrs. Emily H. Gemmill
Mr. W. H. Goadby
Mr. James Gouinlock
Miss Lillie E. Gouinlock
Mr. B. Hochschild

BY PROXY—Continued—

Mr. Walter J. Hill
Mr. Louis W. Hill
Mrs. Mary T. Hill
Mrs. Mary H. Hill
Miss Edith S. Hill
Mr. H. S. Holcroft
Messrs. Heron & Co.
Mr. Josiah Hemans
Mrs. Ella B. Harriss
Mr. Mark H. Irish
Mr. P. H. Jones
Mr. J. B. Jackson
Miss Margaret Laurie
Mrs. Ellen Laughery
Mr. S. Lorie
Mrs. Clara H. Lindley
Mr. W. J. Morrice
C. G. Major & Jos. Hunter, in trust
Mr. C. A. Masten
Mr. Frank E. Maulson
Col. J. Cooper Mason
Mr. Frederick R. Martin
Mr. E. T. Nichols
Mr. T. H. Purdom
D. C. Rea, Manager in trust, and G. M. Baines, Accountant in trust.
Mr. J. P. Steedman
Mrs. Louise R. Sykes, Exec.
Mrs. Charlotte H. Slade
Mr. R. R. Simpson
Mr. C. C. Smith
Mrs. Violet A. Seaman
Mr. Nicholas Terhune
Mrs. Selena J. Vanstone
Miss Ida May Vanstone
Mr. B. S. Vanstone
Mr. Henry Winnett
Mr. T. H. Whitehead
Mr. E. C. Whitney
Mr. Herman Young

The President, Mr. Elias Rogers, having taken the Chair, Miss L. M. Kelley was requested to act as Secretary.

The Notice calling the meeting for the 12th day of April, 1918, at 2.30 p.m., was read.

The Minutes of the Twentieth Annual Meeting, held on the 13th day of April, 1917, were, on motion, taken as read, and signed by the President.

The Twenty-first Annual Report of the Directors, and the accompanying Financial Statement, copies of which had been distributed among the Shareholders present, was taken as read.

DIRECTORS' REPORT

To the Shareholders:

Your Directors herewith present the Annual Report for the year 1917, including the Statement of Assets and Liabilities as of the 31st December, 1917.

The Balance at the Credit of the Profit and Loss Account brought forward from 1916, was $322,480.68. To this has been added the sum of $896.62 from an Old Account, written off December, 1915, but paid during 1917, together with $57,635.85, being the Company's Net Profits from all sources of the operations for the year 1917; making a total of $381,013.15, carried forward to 1918 to the credit of Profit and Loss Account.

During the year the Company spent on Improvements and Developments in connection with the Coal Company and its Subsidiary Companies, $125,102.57. This included payment of the Coal Creek Branch Railway purchased from the Canadian Pacific Railway.

The coal mined during the year amounted to 504,768 tons, as against 910,839 tons mined in 1916, and the coke produced was 146,533 tons, as against 268,989 tons in 1916. The decrease in tonnage is owing to strikes and shortage of labor.

All of which is respectfully submitted.

ELIAS ROGERS,
President.

Toronto, April 12th, 1918.

BALANCE SHEET, 31st DECEMBER, 1917

ASSETS

Cash on hand and in Bank...$	28,726.27	
Accounts Receivable........	300,210.46	
Inventories—Coal, Coke and Stores..................	247,573.30	
		$ 576,510.03
Securities and Shares Owned, including M., F. & M. Ry. and Electric Light & Power Co.....................		972,192.91
Unexpired Insurance........		7,627.46
Mines, Real Estate, Plant and Equipment...............$	6,280,438.62	
Less Reserves for Depletion and Depreciation.........	952,897.77	
		5,327,540.85
		$6,883,871.25

LIABILITIES

Bank......................$	28,080.08	
Accounts Payable...........	141,878.63	
		$ 169,958.71
Contingent Liability and Insurance Reserve..........		120,232.73
CAPITAL STOCK—Paid Up...		6,212,666.66
PROFIT AND LOSS ACCOUNT..		381,013.15
		$6,883,871.25

ELIAS ROGERS,
Treasurer.

PROFIT AND LOSS ACCOUNT

Year Ending 31st December, 1917

Balance at Credit, 1st January, 1917	$ 322,480.68	
Old Account Written Off, December, 1915, now paid	896.62	
		$ 323,377.30
Revenue from Lands, Timber Operations, and Other Sources	$ 49,758.49	
Profit from Coal and Coke Operations	7,877.36	
		57,635.85
BALANCE AT CREDIT PROFIT AND LOSS, 31st December, 1917		$ 381,013.15

ELIAS ROGERS,
Treasurer.

TORONTO, ONT., April 12th, 1918.

AUDITORS' REPORT AND CERTIFICATE

TO THE SHAREHOLDERS OF
THE CROW'S NEST PASS COAL COMPANY, LTD.,
TORONTO.

GENTLEMEN,—

WE CERTIFY that we have audited the Books and Accounts of your Company for the year ending December 31st, 1917, and that the appended Balance Sheet is, in our opinion, so drawn as to exhibit a true and correct statement of the Company's position as at that date and as shown by their books.

We further certify that all our requirements as Auditors have been fully complied with.

Respectfully submitted,

LAWSON, WELCH & COMPANY,
Chartered Accountants.

TORONTO, April 1st, 1918.

THE PRESIDENT'S ADDRESS

In moving the adoption of the Report, Mr. Elias Rogers, President of the Company, said:

The Directors' Report and Financial Statement which you have before you, indicate that the year 1917 was very unsatisfactory for the Company. At last year's Annual Meeting, I reported an explosion which had occurred on April 5th in No. 3 Mine, Coal Creek. Although this was reported last year, all the expense in connection with it comes entirely into the report of 1917. Although every effort has been made to ascertain the cause of the explosion by Experts and by a Commission appointed by the British Columbia Government, no definite conclusion has been arrived at as to the cause. However, with all the information I have been able to gather in regard to it, my own impression is that in all probability there was a sudden outburst of gas breaking the glass in a miner's safety lamp. We had in use the best safety oil-burning lamp known, namely, the "Wolfe." Since then, we have adopted the Edison Storage Battery Lamp at a cost of approximately $10,000.00, in that way providing against the possibility of another accident from that cause.

Then we had shortage of labor during the whole year, and strikes lasting some months, which cost the Company $119,712.13 for ventilation and keeping the mines in order, etc. Strikes and stoppage of work are always expensive to the Company, and the loss in earnings to the men is many times greater. It would seem as if the time had come when Employers and Employees should have a better understanding with each other. Some of the Leaders of Labor are intelligent and reasonable men, and so far as this Company is concerned, we want to be perfectly fair. Capital should have a reasonable return for its investment and risks. This should be recognized by Labor, and on the other hand, Capital should recognize the rights of Labor. Of late there has been more continuous work, and in consequence, better results.

The present capacity of our mines and the market demands are greatly in excess of what we are able to produce owing to shortage of labor.

Early in the war a large number of our Employees voluntarily enlisted, and to their credit I may say, that no more loyal lot of men could be found in Canada. It is a matter of profound regret that a number of these men have made the supreme sacrifice;

among them Mr. Bert Black, Superintendent of the Morrissey, Fernie & Michel Railway, was an outstanding figure, a man of fine physique, a splendid manager, and greatly loved by those who knew him.

During the year we paid to the British Columbia Government Compensation Board for liability insurance covering our employees, $39,340.59.

Our pay-roll for the year amounted to $1,373,871.25, although the Company only made a net profit as shown by the statement of $57,635.85, and paid no dividend, as you are aware.

During the year, 25,715 feet of development work was done at the Coal Creek mines, and 9,514 feet at the Michel mines, which was charged to "Operative Cost."

As a reserve the Company still holds the liquid securities mentioned at our meeting last year, amounting to $209,000, and our Cash Report showed in addition to this, on March 28th, a credit balance in the banks of $156,503.14.

The Board have to-day decided to pay 1½% dividend on June 1st next, and hope that future earnings will permit of paying a reasonable return on Capital investments.

We are not doing any high financing, but are working to the best of our ability to obtain substantial and lasting results, at the same time safeguarding in every way possible the lives of our miners, as well as protecting the mines. In this connection, I cannot speak too highly of our General Manager, Mr. W. R. Wilson, and the very competent and able staff of officers connected with the Company. We have no slackers; our office staff and Superintendents, I think I can say without exception, have worked longer hours and have put forth greater efforts in the interest of the Company than could reasonably have been expected of them but for war conditions.

I beg to move the adoption of the Report, seconded by Mr. Robinson.

If there are any questions to ask before the motion is put, I will be glad to answer them.

The meeting was then thrown open for discussion:

SHAREHOLDER: Mr. President, the Report of last year's earnings as presented to your Shareholders, to put it bluntly, is "rotten," but the explanation offered by yourself for this statement is satisfactory to myself, and I believe should be to the other Shareholders.

One of the most important matters to my mind, one on which you have touched slightly, is the relationship which at present exists between Capital and Labor. One

difficulty is the conviction which Labor has that capitalism inevitably leads to the exploitation of labor and to the appropriation by employers, managers and shareholders of the surplus value of the product of industry, of which a far greater share belongs by right to Labor, but it must be quite evident to Labor, that no surplus value of their product is coming to the Shareholders of this Company.

I would like to congratulate the President, Directors and Management of the Company on the improved conditions in the latter months of the year, and on the fact that when they can get Labor, they improve the earnings of the Company, and I trust that during the coming year the relations between the Management and the Labor of the Company's property will lead to a better Statement of earnings for the coming year.

SHAREHOLDER: I would like to say, in regard to the Report and the general condition of affairs of the Company, I think the Shareholders are to be congratulated in view of the tremendous difficulties which have had to be overcome—the strikes referred to, maintenance of the mines, etc., which have been an awful burden to carry—that we have come out as well as we have, is creditable. I am sure if it were not for the personal interest of the President, we would have a very different story to tell. The Mines in the States have been hampered by German propaganda, and I hope as time goes on the matter will improve, but I think the reason we have come out as well as we have, has been due to the personal interest of our President and the excellent management of Mr. Wilson, and personally I wish to express my appreciation of the work of these two gentlemen during these times.

PRESIDENT: Thank you, Dr. Meyers.

SHAREHOLDER: At the meeting of the Canadian Mining Institute in Montreal a few weeks ago, at which were a large number of representatives from the West, it was

stated that a profit of from $2.00 to $2.25 a ton on coal could be readily obtained in the markets of the West, and I would ask if the Company in marketing its output and in making its contracts, were taking advantage of these conditions?

PRESIDENT: We have no contracts at the present time, we are not tied to anyone, but we are not taking unreasonable advantage of the conditions which exist in regard to prices. We are not robbers and are not charging exorbitant prices, but we are trying to be reasonable in view of all the conditions. We want to consider our customers as well as our shareholders. We are not in business for a day, but in business for a long time to come.

PRESIDENT: If there are no other questions, I will put the motion.

MR. ROBINSON: I have much pleasure in seconding the motion. (Carried unanimously.)

On motion of Mr. Edgar, seconded by Mr. Ainley, the firm of Messrs. Lawson, Welch & Co., Chartered Accountants, were appointed Auditors of the Company for the ensuing year. (Carried.)

It was moved by Mr. Swan, that the thanks of the Shareholders are due and are hereby tendered to the General Manager, Mr. W. R. Wilson, and the other Officers, for their zeal and effective services in the interest of the Company during the past year.

Mr. Swan, in moving the above Resolution, said:

"So long as Mr. Wilson is at the helm of management everything will be done that can possibly be done for the advantage of the Shareholders and the Company, and everyone connected with it, not forgetting the men under his charge. Mr. Wilson is a good man with the men and I am sorry to hear that he has been ill, and hope that he will soon be all right again. The other Officers

named in this resolution, they have all had a hard time during the past year, there is no doubt about it, but we all think that we have one of the richest and best properties in the known world, and we would like to see something better come out of it for ourselves, but when we take into consideration all the circumstances of the past few years, we have done as well as it was possible to do.

I have much pleasure in moving this Resolution. Mr. Crocker seconded the motion. (Carried.)

It was moved by Mr. Swan, seconded by Mr. Freeland, that Mr. Edgar and Mr. Crocker be appointed Scrutineers for the election of Directors. (Carried.)

It was moved by Mr. Taylor, and seconded by Mr. Hardy, that the following gentlemen be nominated as Directors of the Company for the ensuing year: Messrs. Elias Rogers, E. C. Whitney, Ralph Budd, H. B. McGiverin, W. H. Robinson, Dr. G. W. Howland and Ellis P. Earle. (Carried.)

It was moved by Mr. Grass, seconded by Mr. Gunn, that the Chairman be authorized to cast one ballot on behalf of the Shareholders and in favor of the names nominated as Directors of the Company for the ensuing year. (Carried.)

The Scrutineers reported the gentlemen nominated as having been duly elected Directors for the ensuing year.

The meeting then adjourned.

At a subsequent meeting of the Directors, the following Officers were elected:

President...............	MR. ELIAS ROGERS
Vice-President...........	MR. E. C. WHITNEY
Treasurer...............	MR. ELIAS ROGERS
Comptroller.............	MR. G. R. MARTIN
Secretary...............	MR. R. M. YOUNG
Assistant Secretary....	MISS L. M. KELLEY

[redacted]

[redacted]